

Wixom Public Library

**Financial Report
with Supplemental Information
June 30, 2008**

Wixom Public Library

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Independent Auditor's Report

To the Library Board
Wixom Public Library

We have audited the accompanying financial statements of the governmental activities and the General Fund of Wixom Public Library (the "Library") as of and for the year ended June 30, 2008, which collectively comprise Wixom Public Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Library management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Wixom Public Library as of June 30, 2008 and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Library Board
Wixom Public Library

The accompanying budgetary comparison schedule, as identified in the table of contents, is not a required part of the basic financial statements. The budgetary comparison schedule is supplemental information required by the Governmental Accounting Standards Board. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

December 10, 2008

Wixom Public Library

Management's Discussion and Analysis

Our discussion and analysis of the Wixom Public Library's (the "Library") financial performance provides an overview of the Library's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the Library's financial statements.

Using this Annual Report

This annual report consists of financial statements presenting both a fund-based view and a government-wide view of the Library.

The General Fund column presents a short-term view; it tells us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. The government-wide columns provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing Library services.

The General Fund modified accrual basis financial statements provide detailed information about the Library's current financial resources. This information is important as it demonstrates compliance with various state laws and shows the stewardship of the Library's annual property tax and other revenue.

The Library's full accrual basis financial statements present information about the Library's total economic resources, including long-lived assets and long-term obligations. This information is important as it recognizes the long-term ramifications of decisions made by the Library on an ongoing basis.

Wixom Public Library

Management's Discussion and Analysis (Continued)

Statement of Net Assets/Statement of Activities

The following table shows, in a condensed format, the current year's net assets and changes in net assets, compared to the prior year:

Statement of Net Assets

	2007	2008	Change from Prior Year	
			in Dollars	Percent
Cash and investments	\$ 172,978	\$ 243,100	\$ 70,122	41%
Receivables	-	2,610	2,610	
Prepaid expense	-	672	672	
Total current assets	172,978	246,382	73,404	42%
Capital assets	396,122	551,842	155,720	39%
Total assets	569,100	798,224	229,124	40%
Current liabilities	36,557	17,147	(19,410)	-53%
Noncurrent liabilities:				
Due within one year	15,642	8,957	(6,685)	-43%
Due in more than one year	13,718	12,072	(1,646)	-12%
Total liabilities	65,917	38,176	(27,741)	-42%
Net assets:				
Invested in capital assets	396,122	551,842	155,720	39%
Unrestricted	107,061	208,206	101,145	94%
Total net assets	<u>\$ 503,183</u>	<u>\$ 760,048</u>	<u>\$ 256,865</u>	51%

Wixom Public Library

Management's Discussion and Analysis (Continued)

Statement of Activities

	2007	2008	Change from Prior Year	
			in Dollars	Percent
Revenue:				
Property taxes	\$ 752,311	\$ 1,001,650	\$ 249,339	33%
Grants and donations	15,093	16,032	939	6%
Circulation fines and fees	34,013	37,732	3,719	11%
Interest income	20,518	21,890	1,372	7%
Other	2,441	1,384	(1,057)	-43%
Total revenue	824,376	1,078,688	254,312	31%
Expenses:				
Personnel	396,511	413,218	16,707	4%
Library services and materials	100,409	124,592	24,183	24%
Facilities and equipment	73,462	90,543	17,081	23%
Administrative	33,385	23,351	(10,034)	-30%
Transfer to City for Civic Center debt	178,693	170,119	(8,574)	-5%
Total expenses	782,460	821,823	39,363	5%
Change in Net Assets	\$ 41,916	\$ 256,865	\$ 214,949	513%

The Library's net assets increased 51 percent from a year ago - increasing from \$503,183 to \$760,048. This is primarily due to the new millage that was approved by the public on November 7, 2006. This new millage of 1.08 mills, replacing the expired millage of 0.8650 mills, and an increase to the Library's taxable value produced an additional \$249,000 of tax revenue for operations.

Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations, increased by \$101,145 for the Library's activities. This represents an increase of approximately 94 percent. The current level of unrestricted net assets for the Library's activities stands at \$208,206, or about 25 percent of expenses.

The Library's total revenue increased by \$254,312. The increase, which represents 31 percent, was due to the new Library millage that was approved by voters in 2006.

Expenses increased by approximately \$39,000 during the year. With the increase to revenue, the Library was able to add additional part-time staff.

Wixom Public Library

Management's Discussion and Analysis (Continued)

General Fund Perspective

The Library presents the General Fund, which is reported on the modified accrual basis, to tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. The following table shows total revenues and expenditures, as well as the level of fund balance of the General Fund compared to the previous year:

General Fund - Modified Accrual

	2007	2008	Change from Prior Year	
			in Dollars	Percent
Revenue:				
Property taxes	\$ 752,311	\$ 1,001,650	\$ 249,339	33%
Grants and donations	15,093	16,032	939	6%
Circulation fines and fees	34,013	37,732	3,719	11%
Interest income	20,518	21,890	1,372	7%
Other	2,441	1,384	(1,057)	-43%
Total revenue	824,376	1,078,688	254,312	31%
Expenditures:				
Personnel	385,975	421,549	35,574	9%
Library services and materials	127,263	198,185	70,922	56%
Facilities and equipment	88,440	172,669	84,229	95%
Administrative	33,385	23,351	(10,034)	-30%
Transfer to City for Civic Center debt	178,693	170,119	(8,574)	-5%
Total expenditures	813,756	985,873	172,117	21%
Change in Fund Balance	10,620	92,815	\$ 82,195	774%
Fund Balance - Beginning of year	125,800	136,420		
Fund Balance - End of year	\$ 136,420	\$ 229,235		

Wixom Public Library

Management's Discussion and Analysis (Continued)

Budgetary Highlights

Over the course of the year, the Library amended the budget to take into account events during the year. The only significant budget amendment during the year was an increase in the amount budgeted for the contribution to capital improvements (capital outlay) from \$83,200 to \$98,738. This amendment was to fund additional purchases of furniture and fixtures for the Library.

Capital Asset and Debt Administration

During 2008, the Library accumulated additions to capital assets in the amounts of \$126,423 for books and periodicals, \$90,358 related to office furnishings, and \$8,379 for new computer equipment. The building is being remodeled to better accommodate the needs of the Library. With the increased revenue available due to the new operating millage, the Library intends to double the number of public computers and increase the collection by 15 percent.

The Library continued to make its annual contribution to the City of Wixom, Michigan. The City uses this contribution to help pay the debt service on the City's Civic Center 1990 General Obligation Bonds. The proceeds from these bonds were used to build the City's Civic Center area, including the Library building. The Library's current year contribution to the City was \$170,119.

Economic Factors and Next Year's Budgets and Rates

The Library's 2008-2009 budget is consistent with the actual results of 2007-2008, with the addition of further renovations to the building and purchase of furniture.

Contacting the Library's Management

This financial report is intended to provide our citizens, taxpayers, patrons, and investors with a general overview of the Library's finances and to show the Library's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Library directly at (248) 624-2512.

Wixom Public Library

Governmental Funds Balance Sheet/Statement of Net Assets June 30, 2008

	General Fund	GASB No. 34 Adjustments (Note 2)	Library as a Whole - Full Accrual Basis
Assets			
Cash and investments (Note 3)	\$ 243,100	\$ -	\$ 243,100
Due from the City of Wixom	2,610	-	2,610
Prepaid expenses and other	672	-	672
Capital assets - Net (Note 4)	-	551,842	551,842
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 246,382</u>	551,842	798,224
Liabilities			
Accounts payable	\$ 6,824	-	6,824
Accrued and other liabilities	10,323	-	10,323
Noncurrent liabilities - Employee compensated absences (Note 1):			
Due within one year	-	8,957	8,957
Due in more than one year	-	12,072	12,072
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	17,147	21,029	38,176
Fund Balances - Unreserved	<u>229,235</u>	(229,235)	-
Total liabilities and fund balances	<u>\$ 246,382</u>		
Net Assets			
Invested in capital assets - Net of related debt		551,842	551,842
Unrestricted		208,206	208,206
		<u> </u>	<u> </u>
Total net assets		<u>\$ 760,048</u>	<u>\$ 760,048</u>

Wixom Public Library

Statement of Governmental Funds Revenue, Expenditures, and Changes in Fund Balances/Statement of Activities Year Ended June 30, 2008

	General Fund	GASB No. 34 Adjustments (Note 2)	Library as a Whole - Full Accrual Basis
Revenue			
Property taxes	\$ 1,001,650	\$ -	\$ 1,001,650
State grants	9,526	-	9,526
Federal grants	5,636	-	5,636
Private grants and donations	870	-	870
Penal fines	19,986	-	19,986
Interest income	21,890	-	21,890
Circulation fines and fees	17,746	-	17,746
Other	1,384	-	1,384
Total revenue	1,078,688	-	1,078,688
Expenditures/Expenses			
Personnel:			
Salaries and wages	310,574	(8,331)	302,243
Fringe benefits	110,975	-	110,975
Library services and materials:			
Library books, periodicals, and other materials	143,959	(126,422)	17,537
Computer services	54,226	(8,379)	45,847
Depreciation	-	61,208	61,208
Facilities and equipment:			
Building improvements and equipment	98,737	(90,358)	8,379
Supplies and maintenance	27,528	-	27,528
Utilities	46,404	-	46,404
Depreciation	-	8,232	8,232
Administrative and other:			
Insurance	11,840	-	11,840
Legal and audit (professional services)	500	-	500
Printing, postage, and other miscellaneous	11,011	-	11,011
Transfer to City for Civic Center debt	170,119	-	170,119
Total expenditures/expenses	985,873	(164,050)	821,823
Net Change in Fund Balances/Net Assets	92,815	164,050	256,865
Fund Balances/Net Assets			
Beginning of year	136,420	366,763	503,183
End of year	<u>\$ 229,235</u>	<u>\$ 530,813</u>	<u>\$ 760,048</u>

Note I - Summary of Significant Accounting Policies

The accounting policies of the Wixom Public Library (the "Library") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Wixom Public Library:

Reporting Entity

The Wixom Public Library is governed by an elected six-member governing board of trustees. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on the significance of any operational or financial relationships with the Library, there are no component units required to be included in the accompanying financial statements of the Library.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Library's basic financial statements include both the Library as a whole and its individual fund financial statements.

Library as a Whole Financial Statements

The Library as a whole financial statements (i.e., the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting, which is described below.

Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net assets includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net assets are reported in two parts: invested in capital assets, net of related debt, and unrestricted net assets.

The statement of activities includes depreciation on long-term assets and eliminates capital outlay expense.

Note I - Summary of Significant Accounting Policies (Continued)

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in the Library-wide statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

Fund Financial Statements

The Library's individual fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which is described below.

Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to debt service, compensated absences, and claims and judgments are recorded only when payment is due. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Library's policy is to first apply restricted resources.

Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the fiscal period. All other revenue items are considered to be available only when cash is received by the Library.

The Library reports the following major governmental funds:

General Fund - The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library.

Property Tax Revenue

Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on October 1, at which time penalties and interest are assessed.

The Library's 2007 tax is levied and collectible on July 1, 2007, and is recognized as revenue in the year ended June 30, 2008, when the proceeds of the levy are budgeted and available for the financing of operations.

Note 1 - Summary of Significant Accounting Policies (Continued)

The 2007 taxable valuation of the Library totaled \$25,973,530, on which taxes levied consisted of 1.0800 mills for operating purposes. This resulted in approximately \$1,002,000 of property tax revenue.

Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include the library collection (books, periodicals, and other media), building and improvements, computer hardware and software, and office furniture and equipment are reported in the Library as a whole column. Capital assets are defined by the Library as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Library materials	10 years
Building and improvements	40 years
Computer hardware and software	3 to 7 years
Office furniture and equipment	5 to 7 years

Note I - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave) - It is the Library's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Vacation pay is fully vested when earned, and sick pay is conditionally vested upon completion of certain number of years of service. Upon retirement, employees are paid accumulated vacation and 35 percent of unused sick days at their hourly rate as of their retirement date. A liability for the entire amount, current and long term, is accrued in the Library-wide statements. A liability for these amounts is reported in governmental funds only for employee terminations, if any, as of year end.

Below is a summary of the changes in compensated absences as of June 30, 2008:

Beginning of year balance	\$ 29,360
Decrease in compensated absences	<u>(8,331)</u>
End of year balance	<u>\$ 21,029</u>
Due within one year	\$ 8,957
Due beyond one year	<u>12,072</u>
Total compensated absences	<u>\$ 21,029</u>

Fund Equity - In the individual fund columns, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Contribution to City of Wixom - Annually, the Library makes a contribution to the City of Wixom, Michigan (the "City") to assist the City with paying the debt service related to the Civic Center General Obligation Bonds. The proceeds of this bond issue funded the construction of the City's Civic Center, including the Library's building. The contribution paid to the City for the year ended June 30, 2008 was \$170,119. The final payment on these bonds is due in May 2009.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Note 2 - Reconciliation of Individual Fund Columns of the Statement of Net Assets/Statement of Activities

Total fund balance and the net change in fund balance of the Library's General Fund differ from net assets and the change in net assets of the Library as a whole reported in the statement of net assets and statement of activities. This difference results primarily from the long-term economic focus of the statement of net assets and statement of activities versus the current focus of the statement of the individual governmental funds' balance sheet and statement of revenue, expenditure, and change in fund balance. The following is a reconciliation of fund balance to net assets and the net change in fund balance to the net change in net assets:

Total Fund Balance - Modified Accrual Basis	\$ 229,235
Capital assets used in governmental activities are not financial resources and are not reported in the funds	551,842
Employee compensated absences are payable over a long period of years, and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	<u>(21,029)</u>
Total Net Assets - Full Accrual Basis	<u>\$ 760,048</u>
Net Change in Fund Balances - Modified Accrual Basis	\$ 92,815
Governmental funds report capital outlays as expenditures; however in the statement of activities these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	225,159
Depreciation expense	(69,440)
Decreases in accumulated employee sick and vacation pay do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	<u>8,331</u>
Change in Net Assets - Full Accrual Basis	<u>\$ 256,865</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. A local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

As the Library has recently separated from the City of Wixom, Michigan, the Library has not yet adopted its own investment policy. In the meantime, the Library has chosen to follow the City's policy. The City's deposits and investment policies are in accordance with statutory authority.

The Library's cash and investments are subject to several types of risk, which are examined in more detail below:

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Library has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Government investment pool	\$243,000	A1, P1	Moody's, S&P

Note 4 - Capital Assets

The following table presents a summary of the capital asset activity for the year:

	Beginning Balance	Additions	Disposals	Ending Balance
Books and periodicals	\$ 675,223	\$ 126,422	\$ -	\$ 801,645
Office furnishings	38,152	90,358	-	128,510
Other tools and equipment	106,951	8,379	-	115,330
Total capital assets	820,326	225,159	-	1,045,485
Accumulated depreciation:				
Books and periodicals	348,564	55,200	-	403,764
Office furnishings	14,100	8,232	-	22,332
Other tools and equipment	61,539	6,008	-	67,547
Total accumulated depreciation	424,203	69,440	-	493,643
Net capital assets	<u>\$ 396,123</u>	<u>\$ 155,719</u>	<u>\$ -</u>	<u>\$ 551,842</u>

Note 5 - Risk Management

The Library is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Library has purchased commercial insurance for employee health benefits claims, participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, and errors and omissions, and participates in the Michigan Municipal League (risk pool) for claims relating to workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The Michigan Municipal Risk Management Authority's State Pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Michigan Municipal Risk Management Authority itself.

Note 6 - Defined Benefit Pension Plan

Plan Description - The Library, through its relationship with the City, participates in the Municipal Employees' Retirement System of Michigan (MERS), a cost sharing multiple-employer defined benefit pension plan that covers substantially all full-time employees of the Library. The MERS provides retirement, disability, and death benefits to plan members and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the MERS. The report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the MERS for these employees was established by a resolution of the Library's board of trustees and negotiation with the City's collective bargaining units. The MERS requires a contribution from the employees ranging from 2 percent to 3.2 percent. The Library is required to contribute at actuarially required rates; the current rates are 15.98 percent and 18.53 percent of covered payroll for union and nonunion employees, respectively. The Library's contribution to the plan for the year ended June 30, 2008 was \$32,878 and was equal to the actuarially required contribution for the year.

Note 7 - Other Postemployment Benefits

Plan Description - The Library, through its relationship with the City, provides retiree healthcare benefits to eligible employees and their spouses through the Municipal Employees Retirement System (MERS) Health Vehicle Investment Fund. This is a cost sharing multiple-employer defined benefit plan. The MERS issues a publicly available financial report that includes financial statements and required supplemental information for the MERS. The report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

There are no Library retirees currently receiving retirement benefits through the plan. For the year ended June 30, 2008, the Library contributed \$29,867 to the plan in order to prefund the obligation being earned by current Library employees.

Required Supplemental Information

Wixom Public Library

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2008

Account	Description	Original Budget	Final Amended Budget	Actual	Variance
Revenue					
10 02-01 4000	Real property tax	\$ 772,080	\$ 788,289	\$ 787,730	\$ (559)
10 02-01 4002	Personal property tax	165,705	190,550	191,795	1,245
10 20-01 4003	LDFA property	45,060	-	-	-
10 02-01 4004	Industrial facilities tax	12,478	16,484	16,485	1
10 02-01 4008	Delinquent personal property	-	-	2,610	2,610
10 02-01 4010	Maple North service income	446	446	784	338
10 02-01 4011	IFT shortfall revenue	-	-	2,027	2,027
11 02-01 4020	Delinquent interest and penalties	-	-	1,003	1,003
10 04-04 4160	State grants	4,750	4,750	9,526	4,776
10 04-06 4170	Penal fines	19,000	19,000	19,986	986
10 04-04 4260	Federal grants	2,500	2,500	3,133	633
10 08-00 5915	Contribution - CDBG	2,500	2,500	2,503	3
10 06-02 5899	Donation to Library	1,000	1,000	870	(130)
10 06-02 5810	Circulation fines and fees	14,000	14,000	17,746	3,746
10 06-02 5802	Interest income	20,000	20,000	21,890	1,890
11 06-02 5820	Sale of fixed assets	-	-	280	280
10 06-02 5822	Miscellaneous income	310	310	320	10
	Total revenue	1,059,829	1,059,829	1,078,688	18,859
Expenditures					
10 40-70 6011	Salary - Librarian	54,469	54,496	56,756	(2,260)
10 40-70 6013	Salary - Adult librarian	37,182	37,182	38,632	(1,450)
10 40-70 6022	Wage - Circulation coordinator	40,066	40,066	40,066	-
10 40-70 6080	Salary - Children's librarian	45,700	45,700	46,843	(1,143)
10 40-70 6081	Wage - Part-time clerical	71,700	69,400	69,560	(160)
10 40-70 6082	Wage - Part-time professional	66,200	57,200	57,073	127
10 40-70 6380	Merit bonus	-	-	594	(594)
10 40-70 6911	Wage and salary adjustment	5,500	5,500	-	5,500
10 40-70 6912	Flexible compensation	1,200	1,200	1,050	150
10 40-70 7011	Fringes - Librarian	17,539	17,539	17,145	394
10 40-70 7013	Fringes - Adult librarian	13,158	13,158	12,263	895
10 40-70 7022	Fringes - Library clerk	17,252	17,252	16,948	304
10 40-70 7080	Fringes - Children's librarian	30,192	23,014	22,795	219
10 40-70 7081	Fringes - Part-time clerical	5,485	5,485	5,367	118
10 40-70 7082	Fringes - Part-time professional	5,064	4,514	4,389	125
10 40-70 8211	Conferences and workshops - Library	1,200	1,200	1,088	112

Wixom Public Library

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2008

Account	Description	Original Budget	Amended Budget	Actual	Variance
Expenditures (Continued)					
10 40-70 8212	Travel expense	\$ 1,200	\$ 1,200	\$ 1,113	\$ 87
10 40-70 9932	Transfer to retiree health benefit	29,867	29,867	29,867	-
10 40-70 9810	Books and periodicals	90,000	90,000	88,288	1,712
10 40-70 9811	A.V. materials	29,000	29,400	29,414	(14)
10 40-70 9812	Database subscriptions	7,500	5,417	5,417	-
10 40-70 9813	Books/AV-CDBG	3,500	3,500	3,305	195
10 40-70 8230	Computer software/maintenance	6,621	10,121	9,637	484
10 40-70 8300	Library network	35,000	34,000	33,773	227
10 40-70 8302	Salary - Computer technician	11,232	11,232	10,816	416
10 40-70 8301	Consultants and personnel	2,500	2,050	-	2,050
10 40-70 8400	Community programming	7,000	8,687	8,605	82
10 40-70 8500	Library supplies	5,931	5,931	5,985	(54)
10 40-70 8501	Audio visual supplies	3,000	3,000	2,945	55
10 40-70 9700	Office maintenance and repairs - Library	7,500	8,950	8,704	246
10 40-70 9704	Heating and cooling	6,500	7,950	7,486	464
10 40-70 9705	Custodial services	12,900	11,338	11,338	-
10 40-70 9601	Natural gas expense	14,500	14,250	14,384	(134)
10 40-70 9602	Electrical expense	27,500	29,720	29,720	-
10 40-70 9000	Telephone - Library	2,700	2,075	1,985	90
10 40-70 9605	Cable expenditure	-	396	315	81
10 40-70 9102	Multi-peril insurance	12,474	11,840	11,840	-
10 40-70 8800	Audit	500	500	500	-
10 40-70 8504	Printing and postage	10,200	9,191	9,211	(20)
10 40-70 8506	Custodial supplies	300	300	230	70
10 40-70 8900	Memberships	752	752	682	70
10 40-70 9201	Miscellaneous expense - Library	1,150	1,150	888	262
10 40-70 9983	Transfer to Civic Center debt	170,119	170,119	170,119	-
10 40-70 9911	Transfer to capital improvement	83,200	98,738	98,737	1
	Total expenditures	<u>994,553</u>	<u>994,580</u>	<u>985,873</u>	<u>8,707</u>
	Excess of Revenue Over Expenditures	65,276	65,249	92,815	
10 00-00 3000	Opening fund balance	<u>148,971</u>	<u>148,971</u>	<u>136,420</u>	12,551
	Fund Balance - End of Year	<u>\$ 214,247</u>	<u>\$ 214,220</u>	<u>\$ 229,235</u>	

Wixom Public Library

Notes to Required Supplemental Information Year Ended June 30, 2008

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. The budget document presents information by line items. The legal level of budgetary control adopted by the governing body is the line item level.

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, Wixom Public Library incurred expenditures that were in excess of the amounts budgeted, as follows:

Account	Description	Original Budget	Amended Budget	Actual	Variance
10 40-70 6011	Salary - Librarian	\$ 54,469	\$ 54,496	\$ 56,756	\$ (2,260)
10 40-70 6013	Salary - Adult librarian	37,182	37,182	38,632	(1,450)
10 40-70 6080	Salary - Children's librarian	45,700	45,700	46,843	(1,143)
10 40-70 6081	Wage - Part-time clerical	71,700	69,400	69,560	(160)
10 40-70 6380	Merit bonus	-	-	594	(594)
10 40-70 9811	A.V. materials	29,000	29,400	29,414	(14)
10 40-70 8500	Library supplies	5,931	5,931	5,985	(54)
10 40-70 9601	Natural gas expense	14,500	14,250	14,384	(134)
10 40-70 8504	Printing and postage	10,200	9,191	9,211	(20)

Wixom Public Library

**Report to the Library Board of Trustees
June 30, 2008**

December 10, 2008

To the Board of Trustees
Wixom Public Library

We have recently completed our audit of the basic financial statements of Wixom Public Library (the "Library") for the year ended June 30, 2008. In addition to our audit report, we are providing the following report on internal control, results of the audit, and other recommendations and informational matters which impact the Library:

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Report on Internal Control	1-2
Results of the Audit	3-5
Other Recommendations/Informational Matters	6-7

We would like to thank Lisa Hoenig for the cooperation extended to us during the audit. We are grateful for the opportunity to be of service to Wixom Public Library. Should you have any questions regarding the comments in this report, please do not hesitate to call.

Very truly yours,

Plante & Moran, PLLC



Joseph C. Heffernan



Brian J. Camiller

Report on Internal Control

December 10, 2008

To the Board of Trustees
Wixom Public Library

Dear Board Members:

In planning and performing our audit of the financial statements of Wixom Public Library (the "Library") as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Library's financial statements that is more than inconsequential will not be prevented or detected by the Library's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Library's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

To the Board of Trustees
Wixom Public Library

December 10, 2008

This communication is intended solely for the information and use of management and the Library's board of trustees and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink that reads "Joseph C. Heffernan". The signature is written in a cursive style with a large, prominent initial 'J'.

Joseph C. Heffernan

A handwritten signature in black ink that reads "Brian J. Camiller". The signature is written in a cursive style with a large, prominent initial 'B'.

Brian J. Camiller

Results of the Audit

December 10, 2008

To the Board of Trustees
Wixom Public Library

We have audited the financial statements of Wixom Public Library (the "Library") for the year ended June 30, 2008 and have issued our report thereon dated December 10, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 27, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. We are responsible for planning and performing the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the Library. Our consideration of internal controls was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters and our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated October 23, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Library are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2008.

We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the estimated useful lives of capital assets.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

There were no significant difficulties encountered during the audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During the audit, we noted no such misstatements.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management's Representations

We have requested certain representations from management that are included in the management representation letter dated December 10, 2008.

Management's Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Library's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

In the normal course of our professional association with the Library, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Library, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition of our retention as the Library's auditors.

This information is intended solely for the use of the board of trustees and management of Wixom Public Library and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC



Joseph C. Heffernan



Brian J. Camiller

Other Recommendations/ Informational Matters

In addition to the two preceding reports, we have identified additional matters that we would like to communicate as a result of our audit. These matters are not considered to be significant deficiencies or material weaknesses.

New Policies

The Michigan Department of Treasury's *Accounting Procedures Manual for Local Units of Government in Michigan* requires all governmental units, including libraries, to adopt an investment policy in compliance with Public Act 20 of 1943. Historically, the Library has followed the City of Wixom's (the "City") policy. Now that the Library is separate from the City, the Library is required to adopt a policy of its own. It would be acceptable to formally adopt the City's investment policy; however, we would encourage you to examine the details of that policy to ensure it meets the expectations and philosophies of the Library board. The investments held by the Library as of June 30, 2008 (Comerica Bank's "J Fund") comply with Public Act 20.

In addition, if the Library would like to make payments using the ACH (Automated Clearing House - wire transfers) system, a policy in compliance with Public Act 738 of 2002 will need to be adopted.

Currently, the Library has a policy governing the use of credit cards for Library purchases. If the Library would like to accept payment via credit card in the future, changes to the existing policy will be required to be in compliance with Public Acts 266 and 280 of 1995.

Sample policies can be found on the Michigan Municipal League's website:
(http://www.mml.org/resources/sample_docs/policies_evaluations/index.html).